

PROGRAM 3 – GRANTS TO NAMED RECIPIENTS

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

I. PROGRAM OBJECTIVES

Authorized under AS 37.05.316, these grants are made at the discretion of the Legislature. The grants are designated by the Legislature to a specific entity for a specific project or activity to be performed by the named recipient.

II. PROGRAM PROCEDURES

Following enactment of the authorizing legislation, the Department shall promptly notify the recipient of the grant. The recipient is responsible for submitting a proposal to provide the object of the grant. The grant agreement must be executed within 60 days of the authorizing legislation unless the Department determines not to make the award.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

If the grant is for a public works project the recipient must comply with AS 36.10.150 – 36.10.175 for hiring preferences. Beyond this, there are no specific regulations governing the administration of these grants. Compliance requirements and suggested audit procedures therefore must be based upon specific provisions of the grant agreement.

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** Grant funds can be expended for a variety of purposes as outlined in the authorizing legislation and as specified in the grant agreement.

Suggested Audit Procedures: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the project, and are authorized or not prohibited under the grant agreement and applicable statutes or agreements.

B. ELIGIBILITY -

The auditor is not expected to verify eligibility.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

1. **Compliance Requirement:** Any matching, level of effort and/or earmarking requirements will be identified and established in either the grant agreement or authorizing legislation.

Suggested Audit Procedures:

- a) Review the grant agreement and legislation for any matching, level of effort, and/or earmarking requirements; and
- b) Test financial and related records to determine whether the requirements, if any, were met.

PROGRAM 3 – GRANTS TO NAMED RECIPIENTS

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

D. REPORTING REQUIREMENTS -

1. **Compliance Requirement:** The grant agreement will specify the reporting requirements to which the grantee must adhere.

Suggested Audit Procedures:

- a) Review the grant agreement to determine reporting requirements;
- b) Review procedures for preparing required reports and evaluate adequacy;
- c) Review a sampling of reports for completeness, accuracy, and timeliness of submission;
- d) Trace data in selected reports to the supporting documentation;
- e) Evaluate adjustments, if any, for propriety; and
- f) Verify that requirement approvals were obtained.

E. SPECIAL TESTS AND PROVISIONS -

1. **Compliance Requirement:** The grant agreement will identify any other compliance requirements to which the grantee is to adhere.

Suggested Audit Procedures:

- a) Review the grant agreement;
- b) Identify any special provisions or requirements; and
- c) Verify that the requirements were met.